

1 July 1981

LABOUR COSTS IN THE IRON AND STEEL INDUSTRY 1979

The results of the 1979 Community Survey of labour costs in the iron and steel industry are given in this notice; for purposes of comparison some results of previous annual surveys are also included. Data for Ireland and Greece, as well as for the Netherlands broken down by manual and non-manual workers are not available.

An overall view of hourly labour costs levels for manual and non-manual workers in 1979 and 1978 is given in table 1, followed in table 2 by similar data for manual workers relating to the period 1975-1979. The values are expressed both in national currencies and, to facilitate comparison in terms of international competitiveness, in European units of account (ECU). For the rates used for conversion, see "EUROSTATISTICS", tab. 151. Finally, structural labour cost data are presented in tables 3, 4 and 5.

Tab. 1 - Hourly labour costs in the iron and steel industry
(manual and non-manual workers)

		D	F	I	NL	B	L	UK	DK
1. <u>in national currencies</u> (1)	1979	27,62	51,39	7745	31,60	495	435	3,84	66,29
	1978	25,36	46,64	6535	29,32	449	405	3,34	58,68
2. <u>in ECU</u>	1979	11,00	8,82	6,80	11,50	12,32	10,83	5,94	9,20
	1978	9,62	8,13	6,10	10,65	11,21	10,11	5,03	8,36
3. <u>% change 1979/78</u>									
a) in national currencies		+8,9	+10,2	+17,6	+7,8	+10,2	+7,4	+15,0	+13,0
b) in ECU		+14,3	+8,5	+11,5	+8,0	+9,9	+7,1	+18,1	+10,0

(1) DM, FF, LIT, HFL, BFR, LFR, UKL, DKR

As can be seen in table 1, average 1979 levels of hourly labour costs for manual and non-manual workers in the iron and steel industry, expressed in European units of account (ECU) were considerable higher than in 1978, ranging from almost 6 ECU in the United Kingdom to more than 12 ECU in Belgium, with countries bearing the same hierarchical relationship to each other as in other industries, i.e. costs were highest in the Benelux countries and the Federal Republic of Germany; next



Tab. 2 - Hourly labour costs in the iron and steel industry, 1975 - 1979
(manual workers)

	D	F	I	B	L	UK	DK
	<u>a) in national currencies</u>						
	DM	FF	LIT	BFR	LFR	UKL	DKR
1975	19,63	28,43	3 881	322	277	2,00	43,44
1976	21,13	32,56	4 697	349	305	2,32	45,81
1977	22,33	37,49	5 585	386	341	2,65	52,20
1978	23,45	41,74	6 231	416	355	3,07	55,83
1979	24,97	46,55	7 343	458	376	3,54	63,40
1979/75	+5,29	+13,12	+3 462	+136	+99	+1,54	+19,96
	<u>increase in %</u>						
1976/75	7,4	14,5	21,0	8,3	9,8	16,0	5,5
1977/76	5,7	15,1	18,9	10,7	12,0	14,2	13,9
1978/77	5,0	11,3	11,6	7,8	4,1	15,8	7,0
1979/78	6,5	11,5	17,8	10,1	5,9	15,3	13,6
1979/75	26,9	63,7	89,2	42,2	35,7	77,0	45,9
	<u>b) in ECU</u>						
1975	6,45	5,34	4,79	7,06	6,09	3,57	6,10
1976	7,50	6,09	5,05	8,07	7,06	3,73	6,78
1977	8,43	6,69	5,55	9,44	8,35	4,06	7,61
1978	9,17	7,27	5,77	10,39	8,85	4,63	7,95
1979	9,94	7,99	6,45	11,40	9,36	5,48	8,79
1979/75	+3,49	+2,65	+1,66	+4,34	+3,27	+1,91	+2,69
	<u>increase in %</u>						
1976/75	16,3	14,0	5,4	14,3	15,9	4,5	11,1
1977/76	12,4	9,9	9,9	17,0	18,3	8,8	12,2
1978/77	6,9	8,7	4,0	10,1	6,0	14,0	4,5
1979/78	8,4	9,9	11,8	9,7	5,8	18,4	10,6
1979/75	54,1	49,6	34,7	61,5	53,7	53,5	44,1
	<u>Index: country with highest costs = 100</u>						
1975	91	76	68	100	86	51	86
1976	93	75	63	100	87	46	84
1977	89	71	59	100	88	43	81
1978	88	70	56	100	85	45	77
1979	87	70	57	100	82	48	77

came Denmark, France and Italy with costs some 30 to 40% lower, while costs were lowest of all in the United Kingdom. (Ireland and Greece were not covered by the survey). Fluctuations in exchange rates played an important role during the period; thus ECU valued labour costs rose considerable faster in certain countries (D, UK) or slower (F, I, DK) than values expressed in national currencies. Due to this factor the level in Luxembourg ceded third place to Germany in 1979.

As can be seen in table 2 above,, 1979 increases in labour costs of manual workers, expressed in national currencies, ranged from 5.9% (L) to 17.8% (I); the rates of increase were higher than in the previous years in all countries except the United Kingdom.

Since 1975, the rise in labour costs varied between 27% (D) and 89% (I); this amounts to average annual increases for the four-year period ranging from 6.2% to 17.3%.

If labour costs expressed in European units of account are taken as the basis of comparison, the 1979 rates of increase present a different picture, being higher in the Benelux countries, the Federal Republic of Germany and the United Kingdom and lower in France, Denmark and Italy.

Tab. 3 - Structure of labour costs in the iron and steel industry

(Manual + non-manual workers)

in % of total costs

		D	F	I	NL	B	L	UK	DK
1. Direct costs	1979	74,0	67,3	70,8	70,1	76,2	81,1	80,7	93,4
(1)	1978	73,7	68,3	70,9	70,8	76,1	80,6	81,3	93,5
2. Indirect costs (2)	1979	26,0	32,7	29,2	29,9	23,8	18,9	19,3	6,6
	1978	26,3	31,7	29,1	29,2	23,9	19,4	18,7	6,5
a) of which:									
social welfare costs	1979	23,4	27,5	27,4	26,4	20,9	15,1	17,2	5,3
	1978	23,3	26,6	27,5	25,3	21,2	15,4	16,4	4,9

(1) Direct remuneration and payments for days not worked and bonuses and gratuities and benefits in kind

(2) Social welfare costs, vocational training and other cost of a social nature.

An overall comparison of the cost structure for manual and for non-manual workers in 1979 reveals little change in the proportions of direct and indirect costs but shows an increase in the part of social welfare costs in some member states (F, NL, UK). It can also be seen from the detail given in table 4, that the proportion of direct remuneration in total costs was higher for non-manual workers than for manual workers in most countries, with the exception of Belgium and Luxembourg. On the other hand, the proportion of statutory social security costs was generally higher for manual workers than for non-manual workers, whereas the reverse was true of voluntary expenditure of this kind.

Tab. 4 - Structure of labour costs in the iron and steel industry - 1979

	D	F	I	NL	B	L	UK	DK
a) manual + non-manual workers in % of total cost								
1. Direct remuneration	54,15	50,22	50,75	53,33	57,04	68,27	72,21	93,44 ^{b)}
2. Payments for days not worked	10,85	7,81	11,06	7,87	12,87	10,97	7,76	: a/b)
3. Bonuses and gratuities	8,47	7,08	8,74	8,23	5,90	0,43	0,10	:
4. Payments in kind	0,50	2,21	0,22	0,63	0,36	1,39	0,58	-
Direct costs (1+2+3+4)	73,97	67,32	70,77	70,06	76,17	81,16	80,65	93,43
5. Statutory social security costs of which:	16,87	19,87	26,00	17,64	19,51	14,45	8,76	4,10
a) sickness, maternity, invalidity + old age, unemployment	15,11	12,38	17,69	16,28	10,80	9,41	7,57	3,21
b) Injuries and occupational diseases	1,72	2,53	3,79	-	2,93	3,21	1,19	0,74
c) Family allowances	-	4,96	4,28	1,36	5,39	1,73	-	-
d) Other	0,04	-	0,24	-	0,40	0,10	-	0,14
6. Voluntary social security costs	6,51	7,58	1,44	8,79	1,38	0,69	8,45	1,21
Total employers social security costs (5+6)	23,38	27,45	27,44	26,43	20,89	15,14	17,21	5,31
7. Other costs	2,65	5,23	1,79	3,52	2,94	3,80	2,14	1,26
TOTAL HOURLY LABOUR COSTS								
- in national currency (=100%)	27,62	51,39	7745	31,60	495	435	3,84	66,29
- in ECU	11,00	8,82	6,80	11,50	12,32	10,83	5,94	9,20
- highest costs = 100	89	72	55	93	100	88	48	75
b) manual workers in % of total cost								
1. Direct remuneration	53,86	49,28	48,96	:	57,69	69,76	70,34	82,24 ^{b)}
2. Payments for days not worked	11,01	7,60	11,07	:	12,73	11,26	10,20	11,49
3. Bonuses and gratuities	8,62	6,91	8,80	:	4,61	.	0,13	:
4. Payments in kind	0,54	2,04	0,25	:	0,37	0,16	0,51	-
Direct costs (1+2+3+4)	74,03	65,83	69,08	:	75,40	81,17	81,18	93,73
5. Statutory social security costs of which:	18,84	21,73	27,21	:	20,91	15,87	9,36	5,06
a) sickness, maternity, invalidity + old age, unemployment	16,78	13,38	18,27	:	11,72	10,26	7,70	4,00
b) Injuries and occupational diseases	2,02	2,84	4,22	:	3,32	3,40	1,66	0,91
c) Family allowances	-	5,51	4,25	:	5,44	2,08	-	-
d) Other	0,04	-	0,27	:	0,43	0,13	-	0,15
6. Voluntary social security costs	4,11	7,02	1,87	:	0,47	0,56	7,37	-
Total employers social security costs (5+6)	22,95	28,75	29,08	.	21,38	16,43	16,73	5,06
7. Other costs	3,02	5,42	1,84	.	3,23	2,39	2,10	1,21
TOTAL HOURLY LABOUR COSTS, in national currency (= 100%)	24,97	46,55	7343	.	458	376	3,54	63,40
c) non-manual workers in % of total cost								
1. Direct remuneration	54,76	51,38	55,69	:	54,95	65,04	76,13	89,02 ^{a)}
2. Payments for days not worked	10,51	8,07	11,03	:	13,34	10,36	2,66	:
3. Bonuses and gratuities	8,15	7,29	8,59	:	10,04	1,35	0,06	3,44
4. Payments in kind	0,40	2,42	0,15	:	0,32	4,04	0,72	-
Direct costs (1+2+3+4)	73,82	69,16	75,46	:	78,65	80,79	79,57	92,46
5. Statutory social security costs of which:	12,59	17,57	22,65	:	15,03	11,40	7,51	0,94
a) Sickness, maternity, invalidity + old age, unemployment	11,48	11,15	16,10	:	7,83	7,58	7,30	0,61
b) Injuries and occupational diseases	1,07	2,15	2,03	:	1,69	2,81	0,21	0,21
c) Family allowances	-	4,27	4,37	:	5,20	0,99	-	-
d) Other	0,04	-	0,15	:	0,30	0,02	-	0,12
6. Voluntary social security costs	11,72	8,28	0,23	:	4,33	0,97	10,71	5,19
Total employers social security costs (5+6)	24,31	25,85	22,88	:	19,36	12,37	18,22	6,13
7. Other costs	1,87	4,99	1,66	:	1,99	6,84	2,21	1,41
TOTAL MONTHLY LABOUR COSTS, in national currency (= 100%)	5249	9206	1362000	:	96775	94363	650	11966

a) Including payments for days not worked

b) Including bonuses and guaranteed gratuities

Tab. 5 - Structure of labour costs in the iron and steel industry 1975 - 1979

Manual workers

in % of total cost

	D	F	I	B	L	UK	DK
1. Direct earnings							
							a)
1975	56,85	49,79	48,03	57,56	64,69	75,62	82,79
1976	55,56	49,97	47,52	58,76	64,82	74,57	81,36
1977	55,38	48,47	48,44	57,06	64,73	72,63	81,79
1978	54,02	49,90	49,24	56,56	69,78a)	71,01	83,18
1979	53,86	49,28	48,96	57,69	69,76a)	70,34	82,24
2. Payments for days not worked							
1975	11,39	9,09	10,81	13,30	7,49	8,43	13,00
1976	10,27	8,85	11,28	12,80	7,87	8,19	13,40
1977	11,15	10,06	11,92	13,53	10,29	8,63	12,68
1978	10,03	7,59	10,67	13,02	10,48	10,42	10,86
1979	11,01	7,60	11,07	12,73	11,26	10,20	11,49
3. Other bonuses							
							a)
1975	6,85	6,21	8,86	5,26	6,97	0,09	:
1976	6,34	5,62	8,54	4,29	4,94	0,00	:
1977	6,43	5,68	8,49	4,81	3,08	0,05	:
1978	8,64	6,85	8,97	5,35	a)	0,00	:
1979	8,62	6,91	8,80	4,61	a)	0,13	:
4. Direct costs							
1975	75,87	67,23	68,16	76,53	79,82	84,76	95,79
1976	73,07	66,50	67,83	76,24	78,12	83,19	94,76
1977	73,78	66,17	69,21	75,80	78,62	82,06	94,47
1978	73,12	66,26	69,19	75,35	80,41	82,08	94,04
1979	74,03	65,83	69,08	75,40	81,17	81,18	93,73
5. Total social security expenditure							
1975	20,54	27,01	29,87	21,32	15,40	13,53	3,17
1976	21,68	27,76	30,19	21,74	17,40	14,66	4,21
1977	21,18	28,43	28,61	21,87	17,26	16,00	3,87
1978	23,54	28,27	29,07	21,61	16,80	15,64	4,44
1979	22,95	28,75	29,08	21,38	16,43	16,73	5,06
6. Other expenditure							
1975	3,59	5,76	1,98	2,15	4,79	1,71	1,04
1976	5,26	5,74	1,98	2,02	4,48	2,15	1,03
1977	5,04	5,40	2,18	2,33	4,12	1,94	1,66
1978	3,34	5,47	1,74	3,04	2,79	2,28	1,52
1979	3,02	5,42	1,84	3,23	2,39	2,10	1,21

a) Other bonuses included in direct earnings.

10.9.1981

CORRIGENDUM: NOTE 4-1981

LABOUR COSTS IN THE IRON AND STEEL INDUSTRY 1979

The column on FR Germany in table 1 should be corrected to read as follows:

COUT DE LA MAIN-D'OEUVRE DANS L'INDUSTRIE SIDERURGIQUE 1979

La colonne relative à la RF d'Allemagne du tableau 1 doit être corrigée comme suit:

Hourly labour costs (man. + non-man. workers)	D	Coût horaire de la main- d'oeuvre (ouvriers + employés)
1. <u>in national</u> 1979 <u>currency (DM)</u> 1978	27,62 25,70	1. <u>en monnaie</u> <u>nationale (DM)</u>
2. <u>in ECU</u> 1979 1978	11,00 10,05	2. <u>en ECU</u>
3. <u>% change 1979/78</u> a) in nat. currency b) in ECU	+ 7,5 + 9,5	3. <u>variation en % 1979/78</u> a) en monnaie nat. b) en ECU

Also, on page 1, second last sentence of the French version, the words "en hausse" should be deleted.

En outre, à la première page, avant dernière phrase de la version française, les mots "en hausse" sont à supprimer.

